July 8, 2011

Eastern Rural Telecom Association

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

RE: Notice of Ex Parte –
Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Board on Universal Service, CC Docket No. 96-45

Dear Ms. Dortch:

On July 8, 2011 the Eastern Rural Telecom Association (ERTA) held a teleconference call with representatives of the FCC.

Representing ERTA were Greg Sapp, Katie Vest, Danny Vaughn, and Dennis Reece of Citizens Telephone Cooperative, Ken Johnson and Johnny Zoucks of Darien Telephone Company, Bob Ragsdale of John Staurulakis, Inc., Darby A. McCarty of Smithville Communications, Inc., Michael L. Theis of Theis Communications Consulting, LLC, Norman J. Kennard of Thomas, Long, Niesen & Kennard, Eric S. Cramer of Wilkes Telephone Membership Corp. and Wilkes Communications, Inc., David Corn of Yadkin Valley Telephone, and Jerry Weikle of Weikle & Co.

Representing the FCC were Rebekah Goodheart, Randy Clarke, Travis Litman, and Raffi Melanson of the Wireline Competition Bureau and Joseph Levin of the Wireless Telecommunications Bureau.

There was discussion about phantom traffic and traffic laundering experienced by rural LECs as a result of Halo Wireless. There was discussion about results of an ERTA member survey about Halo Wireless and the large cost recovery loss from not receiving compensation for this growing volume of traffic.

There was discussion about the attached materials and the results of a one day study of Halo traffic which showed that the traffic was originated from customers of 176 different domestic and Canadian LECs and CLECs and 63 different Wireless Companies, none of which was Halo Wireless. In addition there was discussion about information that may be available in AMA and SS7 records used for access billing and that the presence of a charge number in a record does not provide enforcement for billed companies to pay compensation to rural companies.

ERTA ◆ 5910 Clyde Rhyne Drive ◆ Sanford, NC 27330
Tel: 919-708-7404 ◆ Fax: 919-708-5226 ◆ www.erta.org

There was discussion about the difficulty to get Halo to accept a bona fide request (BFR) to negotiate a wireless interconnection agreement especially compared to wireless carriers that accept BFRs and negotiate agreements in very short time frames (possibly all in one month).

If there are any questions, I can be reached at 704.782.7738.

Sincerely,

/s/ *Jerry Weikle*

Jerry Weikle
Regulatory Consultant

cc: Rebekah Goodheart
Randy Clarke
Travis Litman
Raffi Melanson
Joseph Levin

Eastern Rural Telecom Association (ERTA)

ERTA is a trade association comprised of local exchange companies and support companies providing telecommunications services to rural customers in the Eastern half of America. ERTA companies are providers of local, long distance, wireless, cable television, and broadband Internet service. ERTA members are proud of the roles they play in providing service to rural America as small community based businesses in high cost areas.

Purpose –

To discuss a growing problem with phantom traffic and traffic laundering experienced by rural LECs that puts additional cost recovery pressure on end user customers and USF support.

Background: Halo Wireless –

Halo Wireless is terminating millions of minutes of intrastate access, interstate access, and CMRS traffic originated by customers of other companies. Halo has signed wireless interconnection agreements with AT&T and Verizon in multiple states and is routing this traffic to tandems and EAS trunks for delivery to ERTA members that are subtending these tandems and EAS trunks. This traffic is not from Halo retail customers and is instead from customers of a variety of LECs, CLECs, and other wireless carriers. The charge number in AMA records has been altered to make the traffic appear to be wireless in nature. Halo alleges that the traffic is wireless and since it does not have interconnection agreements in place then it is not responsible for compensation.

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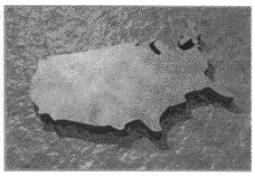
Halo Wireless
Covering you

Halo Wireless Coverage Area



Halo Wireless service is available in the following markets. We are expanding our coverage area to other towns across the United States, so check back soon if your area is not yet covered.

Alabama
Graysville

Arkansas
Van Buren

California
Tulare

Florida
Bonita Springs
Green Cove Springs
Palm Coast

Georgia
Cartersville

Illinois
Danville

Indiana
Portland

Kansas
Junction City

Kentucky
Paducah

Louisiana
Hammond

Michigan
Britton

Mississippi
Greenville

Missouri
Wentzville

Nevada
Amargosa Valley

Ohio
Carroll
Huntsburg
Wilmington

Oklahoma
Enid
Henryetta

South Carolina
Orangeburg

Tennessee
Gainesboro
Knoxville

Texas
Brenham
Pleasanton
Tyler

Wisconsin
New Glarus

Want to find out if Halo wireless service is available in your area? Enter your zip code below and we will be glad to check for coverage in your area.

* Zip:

Submit

Sign Up for Halo Today!

Want to sign up but have more questions? Just click below, answer a few questions and a representative will contact you to explain everything.

ORDER NOW

7-6-11

Traffic Study Results –

Based on the Halo coverage area from their website (accessed July 6, 2011), Halo does not provide coverage in North Carolina in the MTA that Yadkin Valley is located in.

Yadkin Valley Telephone Membership Corporation in Yadkinville NC has studied SS7 records going back several months.

Yadkin Valley studied SS7 records to determine the nature of the Halo Wireless traffic because the AMA records had altered caller information.

Based on SS7 records for 10,085 calls received from Halo Wireless (OCN – 429F, Charge to Numbers 980-208-1901 and 336-615-1901) on May 1, 2011 -

51% of calls originated from customers of 176 different domestic and Canadian LECs and CLECs. The calls were from the following jurisdictions:

1% - International
2% - Unknown
25% - Interstate
8% - Intrastate InterLATA
64% - Intrastate IntraLATA
100% - Landline

49% of calls originated from customers of 63 different Wireless Companies. The calls were from the following companies:

0% - Halo
13% - Nextel
13% - Verizon Wireless
7% - Sprint
67% - Miscellaneous
100% - Wireless

The charge numbers appearing in AMA records are all the same local wireless number and not the original calling party number -

47 CFR § 64.1600 Definitions.
(d) *Charge number.* The term ‘‘charge number’’ refers to the delivery of the calling party’s billing number in a Signaling System 7 environment by a local exchange carrier to any interconnecting carrier for billing or routing purposes, and to the subsequent delivery of such number to end users.

Access Charges are applicable -

In an Order released on April 21, 2004 in WC Docket No. 02-361
In the Matter of Petition for Declaratory Ruling that AT&T’s Phone-to-Phone IP Telephony Services are Exempt from Access Charges

At para. 19:
“[W]hen a provider of IP-enabled voice services contracts with an interexchange carrier to deliver interexchange calls that begin on the PSTN, undergo no net protocol conversion, and terminate on the PSTN, the interexchange carrier is obligated to pay terminating access charges.”[80]

[80] *See* 47 C.F.R. § 69.5(b) (imposing access charges on “interexchange carriers that use local exchange switching facilities for the provision of interstate or foreign telecommunications services”). Depending on the nature of the traffic, carriers such as **commercial mobile radio service (CMRS) providers**, incumbent LECs, and competitive LECs **may qualify as interexchange carriers for purposes of this rule**. (emphasis added)

In an Order released on February 23, 2005 in WC Dockets No. 03-133 and No. 05-68
In the Matter of AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services
Regulation of Prepaid Calling Card Services
At footnote 6:
“…(“both court and Commission decisions have considered the end-to-end nature of the communications more significant than the facilities used to complete such communications”)…”